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HUARCHI GLOBAL GROUP HOLDINGS LIMITED

華記環球集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2296

PROPOSED BONUS WARRANTS ISSUE

Proposed Bonus Warrants Issue

The Board proposes, subject to the satisfaction of the conditions below, to make the Bonus Warrants Issue to the Qualifying Shareholders on the basis of one (1) Warrant for every five (5) Shares held on the Record Date.

The Warrants will be issued in registered form. Each Warrant will entitle the holder thereof to subscribe in cash for one (1) New Share at an initial subscription price of HK\$1.5, subject to adjustments, upon exercise of the Warrant. The Warrant will be exercisable at any time from the date of issue of the Warrants to the last date falling twelve months thereafter, which is expected to be from Thursday, 27 May 2021 to Thursday, 26 May 2022 (both days inclusive).

The Bonus Warrants Issue will be conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Warrants and the New Shares.

Record Date and Closure of Register of Members

The Warrants to be issued under the Bonus Warrants Issue will only be issued to Qualifying Shareholders. In order to qualify for the Bonus Warrants Issue, a Shareholder must be registered as a member of the Company on the Record Date and not be a Non-Qualifying Shareholder. The register of members of the Company will be closed from Monday, 10 May 2021 to Friday, 14 May 2021 (both days inclusive) for determining entitlements to the Bonus Warrants Issue. No transfer of Shares may be registered during the book closure period. The last day for dealing in Shares cum-entitlements to the Bonus Warrants Issue will be Wednesday, 5 May 2021.

General

A circular containing, amongst other things, further details of the Bonus Warrants Issue will be despatched to the Shareholders as soon as practicable.

THE PROPOSED BONUS WARRANTS ISSUE

The Board proposes, subject to the satisfaction of the condition below, to make the Bonus Warrants Issue to the Qualifying Shareholders on the basis of one (1) Warrant for every five (5) Shares held on the Record Date.

GENERAL MANDATE

The Warrants will be issued pursuant to the general mandate to issue Shares granted to the Directors at the Company's annual general meeting held on 19 June 2020. Under the said general mandate and on the basis of 2,000,000,000 issued Shares as at 19 June 2020, the Directors were authorized generally to issue up to 400,000,000 Shares. No Share has been allotted or issued under the general mandate since it was approved and a maximum of 400,000,000 Shares can be issued under the general mandate.

SHARES TO BE ISSUED UPON EXERCISE OF THE WARRANTS

Each Warrant will entitle the holder thereof to subscribe in cash for one (1) New Share. Based on 2,000,000,000 issued Shares as at the date of this announcement and assuming that no further Shares will be issued or repurchased by the Company from the date of this announcement up to the Record Date, the maximum number of Warrants to be issued will be 400,000,000 Warrants and upon the full exercise of the subscription rights attaching to the Warrants, a maximum of 400,000,000 New Shares (subject to adjustments) will be issued, representing 20% of the number of issued share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the New Shares to be issued upon the exercise of all Warrants. Based on the initial subscription price of HK\$1.5 per New Share, the Company would receive the subscription monies totalling up to approximately HK\$600 million.

As at the date of this announcement, the Company has no outstanding share options, warrants, convertible securities or similar rights entitling any person to subscribe for Shares prior to the Record Date.

CONDITION TO THE BONUS WARRANTS ISSUE

The Bonus Warrants Issue will be conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Warrants and the New Shares.

SUBSCRIPTION PRICE AND SUBSCRIPTION PERIOD

The Warrants will be issued in registered form and each Warrant will entitle the holder thereof to subscribe in cash for one (1) New Share at an initial subscription price of HK\$1.5, subject to customary anti-dilutive adjustments in market transactions of this type in certain events, including, among other things, share consolidations, share subdivisions, capitalisation issues and capital distributions, at any time from the date of issue of the Warrants to the last date falling twelve months thereafter, which is expected to be from Thursday, 27 May 2021 to Thursday, 26 May 2022 (both days inclusive).

The initial subscription price of HK\$1.5 represents:

- (i) a premium of approximately 32.7% to the closing price per Share of HK\$1.13 as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 33.9% to the average closing price per Share of approximately HK\$1.12 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and

- (iii) a premium of approximately 56.3% to the average closing price per Share of approximately HK\$0.96 as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day.

The initial subscription price for the Warrants was determined with reference to the recent market price of the Shares. The Directors consider the terms of the Bonus Warrant Issue, including the initial subscription price thereof, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FRACTIONAL ENTITLEMENTS

Fractional entitlements to the Warrants (if any) will not be issued to the Qualifying Shareholders but will, where practicable, be aggregated and sold in the market for the benefit of the Company. The net proceeds of sale will be retained for the benefit of the Company.

OVERSEAS SHAREHOLDERS

The circular to be issued for the Bonus Warrants Issue and the Warrants to be issued will not be registered or filed under any securities legislation in any jurisdiction outside Hong Kong. In determining whether it would be necessary or expedient to exclude an Overseas Shareholder who is registered as a member of the Company on the Record Date, the Directors will make enquiry pursuant to Rule 13.36(2)(a) of the Listing Rules regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange of the relevant place in which such Overseas Shareholder is residing. If the Directors are of the view that, after such enquiry, the exclusion of such Overseas Shareholder is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Warrants will not be granted to such Overseas Shareholder.

In view of the above, Warrants which would otherwise be issued to the Non-Qualifying Shareholder(s) under the Bonus Warrants Issue will be sold in the market as soon as possible after the commencement of dealings in the Warrants, if a premium (net of expenses) can be obtained. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to such Non-Qualifying Shareholder(s) pro rata to their respective holdings of Shares. Remittance thereof will be posted to them, at their own risk, unless the amount falling to be distributed to such person(s) is less than HK\$100, in which case it will be retained for the benefit of the Company.

All Overseas Shareholders should consult their professional advisers as to whether or not they are permitted to participate in the Bonus Warrants Issue or whether any government or other consents are required or other formalities need to be observed.

REASONS FOR THE BONUS WARRANTS ISSUE

The Company is an investment holding company. The principal activities of the Group are providing services of fitting-out works, construction works and repair and maintenance works in Macau. The Directors believe that the Bonus Warrants Issue will provide the Shareholders with an opportunity to participate in the growth of the Company. The Bonus Warrants Issue will also strengthen the equity base of the Company and increase the Company's general working capital and the potential investments to be identified if and when the subscription rights attaching to the Warrants are exercised.

The Company intends to apply any subscription monies received as and when subscription rights are exercised towards general working capital of the Group.

FUND RAISING ACTIVITIES OF THE GROUP IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities by issue of equity securities in the twelve months immediately before the date of this announcement.

LISTING

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Warrants and the New Shares. The New Shares will rank pari passu in all respects with the then existing issued Shares.

CERTIFICATES FOR THE WARRANTS AND BOARD LOT

Subject to the satisfaction of the condition to the Bonus Warrants Issue, it is expected that certificates for the Warrants will be posted on or before Thursday, 27 May 2021 at the risk of the Qualifying Shareholders entitled thereto to their respective addresses shown on the register of members of the Company.

Dealings in the Warrants are expected to commence on the Stock Exchange on Friday, 28 May 2021. The Warrants are expected to be traded on the Stock Exchange in board lots of 16,000 Warrants.

RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 10 May 2021 to Friday, 14 May 2021 (both days inclusive) for determining entitlements to the Bonus Warrants Issue.

The last day for dealing in Shares cum-entitlements to the Bonus Warrants Issue will be Wednesday, 5 May 2021. In order to qualify for the Bonus Warrants Issue, all outstanding transfer of Shares should be lodged with the share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 7 May 2021.

EXPECTED TIMETABLE

The expected timetable for the Bonus Warrants Issue set out below is for indicative purposes only and has been prepared on the assumption that the condition of the Bonus Warrants Issue will be fulfilled. All times and dates in this announcement refer to Hong Kong local times and dates. The expected timetable is subject to change, and any changes will be announced in a separate announcement by the Company as and when appropriate.

The expected timetable for implementing the Bonus Warrants Issue is set forth below:

Last day of dealings in Shares cum-entitlements to the Bonus Warrants Issue	Wednesday, 5 May 2021
First day of dealings in Shares ex-entitlements to the Bonus Warrants Issue	Thursday, 6 May 2021
Latest time for lodging forms of transfer of Shares to ensure entitlement to the Bonus Warrants Issue	no later than 4:30 p.m. on Friday, 7 May 2021
Closure of register of members of the Company, both days inclusive	Monday, 10 May 2021 to Friday, 14 May 2021
Record Date	Friday, 14 May 2021
Despatch of the Warrant certificates by	Thursday, 27 May 2021
Commencement of dealings in the Warrants on the Stock Exchange	Friday, 28 May 2021

GENERAL

A circular containing, among other things, further details of the Bonus Warrants Issue will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Bonus Warrants Issue”	the proposed bonus issue of Warrants by the Company to the Qualifying Shareholders on the basis of one (1) Warrant for every five (5) Shares held on the Record Date

“Company”	Huarchi Global Group Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed and traded on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the Peoples Republic of China
“Last Trading Day”	Thursday, 1 April 2021, being the last trading day of the Shares as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Directors, after making enquiry, are of the view that it would be necessary or expedient to exclude them from the Bonus Warrants Issue on account either of legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction
“Overseas Shareholder(s)”	Shareholder(s) whose address (es) as shown on the register of members of the Company at the close of business on the Record Date is/are outside Hong Kong
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Non-Qualifying Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Friday, 14 May 2021, being the record date for ascertaining the entitlements of Shareholders to the Bonus Warrants Issue

“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrant(s)”	warrant(s) proposed to be issued by the Company to subscribe for New Shares at an initial subscription price of HK\$1.5 per New Share, subject to adjustments
“%”	per cent.

By order of the Board
Huarchi Global Group Holdings Limited
Lou Cheok Meng
Chairman and Managing Director

Hong Kong, 1 April 2021

As at the date of this announcement, Mr. Lou Cheok Meng, Mr. Chang Wa Jeong and Mr. Ao Weng Kong are the executive directors of the Company; and Dr. Lam Chi Kit BBS MH JP, Dr. Sin Wai Chiu Joseph and Mr. Lo Chun Chiu Adrian are the independent non-executive directors of the Company.